

Fair Debt Collection Policy

1. Background & Introduction

- 1.1 The purpose of this Fair Debt Policy is to establish guidelines on how the Council will recover debts owed. It sets out the framework for a consistent and sensitive approach to the recovery of debts and importantly, it aims to offer customers who experience payment difficulties with practical payment solutions which

3. Types of debt covered by the policy

3.1 The Fair Debt policy covers council tax, council rent, housing benefit overpayments, personal and non commercial debts administered by the Corporate Debt collection service.

4. Communication and contact with the council

4.1 Advice and information will always be made available to customers at every stage of the process. The Council will make clear what action is being taken and why.

4.2 The Council will also explain to customers what they should do if they are unable to pay and importantly where they can get independent money advice and support for wider debt problems.

4.3 Escalation procedures will always give a clear indication to the customer of the next stage in the Councils recovery process including any additional costs to be incurred on the debt.

4.4 In cases of non payment, the Council will let know customers in writing promptly and invite them to make contact with the Council at an early stage of the recovery process with a view to making a payment agreement if they are experiencing financial difficulty.

5. Benefits, discounts and exemptions and money advice

5.1 The Council will seek to inform customers of their entitlement to means tested and non means tested benefits, discounts and exemptions to ensure entitlements are correct and that no one pays more than they are legally required to.

5.2 The Council will provide easily accessible information about benefits, discounts, exemptions and independent money advice and support through a range of communication channels, including public leaflets, inserts with bills, recovery documents and public information via the Councils website.

5.3 The Council will actively promote and signpost the services of independent money advice and support agencies and seek to work in partnership with local advice agencies.

5.4 The Council will work towards providing Advice Agencies will a single point of contact relevant to each service area so that issues can be taken up and resolved quickly and to better manage multiple debt cases.

6. Responsibilities of customers

6.1 The Council expects customers that owe sums to the Council to comply with all legal obligations. The Council is committed to working with customers as set

over a short period of time and where the debt will not be repaid in full by the end of the financial year in which pay is due.

- 7.6 Where a customer refuses to divulge any information that is considered essential to assessing their ability to pay then no payment agreement will be entered into.
- 7.7 Customers and/or advice agencies working on behalf of the customer will be encouraged to notify the Council of multiple debts and agree a co-ordinated payment plan covering all debts owed to the Council. In turn, Council Officers will actively co-operate with each other to agree a single payment plan and to ensure all repayments are sustainable.
- 7.8 Whilst the benefits of agreeing a co-ordinated payment plan will be explained to the customer, the Council recognises that the customer has the right to deal with debts separately if they so choose.
- 7.9 Payment plans for multiple debts owed to the Council will be designed to allow customers to initially make payment towards priority debts owed to the Council (Rent payments and Council Tax) and then towards all other debts owed to the Council. In appropriate cases, where have wider debt problems, the Council will signpost customers to external advice agencies.
- 7.10 For customers entering into single payment agreements for multiple debts owed to the Council, except where repayments are established through court orders or agreed rates of deduction from benefits, repayments will normally be distributed in direct proportion to the priority and then lower debts outstanding to each service area.
- 7.11 Where the level of repayment required cannot be met the Council will work towards the use of an income and expenditure form officer using a common financial statement to access the financial means of the customer.
- 7.12 If no contact is made then the Council will contact the customer in writing promptly to set out the consequence of not paying the debt. The Council will stress the importance of the customer contacting the Council at an early stage to discuss the issue

8. Late or missed payments

- 8.1 If for what ever reason the customer is unable to make a payment they will be encouraged to contact the Council prior to the payment failing to be made.

8.2 Where a payment arrangement has been agreed but payment is not received in accordance with the agreement, before further action to recover the unpaid debt is considered, the Council will write to the customer promptly to request payment of the sums due and explaining the consequences of failing to pay.

8.3 The Council will also encourage the customer to make further contact to discuss any payment difficulties or change in circumstances. A reasonable period of time will be provided to the customer to bring the payment agreement up to date or to make further contact with the Council.

8.4 Where a customer fails to bring a payment agreement up to date or persistently fails

10. Monitoring and Review